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Workers an Afterthought as Government Lines the Pockets of Corporations

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Between the first and second quarters of 2018, real wages fell by nearly 2%. Additionally, average hourly wages have not changed for U.S. workers over the last year when adjusted for inflation. This is according to the federal Bureau of Labor Statistics, who earlier this month released a summary of earnings report for U.S. employees.

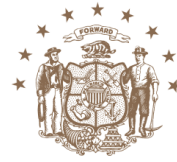
At the same time that wages for workers are remaining, at best, stagnant, the 500 largest companies in the country are on track to repurchase more than \$800 billion in stock in 2018. Republicans in Congress gave corporations a \$1.5 trillion dollar tax cut last year and executives are using the money on stock buybacks to enrich themselves rather than giving their employees raises.

In Wisconsin, we have extended \$4.5 billion worth of tax breaks and other financial incentives to Foxconn to build a manufacturing plant in Mt. Pleasant. With all of the money being handed out to corporations, at some point we need to ask – where are the financial incentives for the workers putting in 9 hour days Monday through Friday?

Instead, Wisconsinites are rewarded with a trade war driving up prices in consumer goods, shipping more jobs overseas, and bankrupting farmers. The conservative-leaning Tax Foundation estimates that Trump's enacted and proposed tariffs will further reduce wages by 0.04 percent and eliminate more than 48,000 jobs.

This week, Kimberly-Clark, who plans to repurchase between \$700 and \$900 million of their own stock this year, said it was open to receiving over \$100 million in incentives from the state to keep open their Cold Spring facility in Neenah, Wisconsin. Their announcement comes after the local labor union gave the company concessions in negotiating a new labor agreement. So to recap, Kimberly-Clark announced it was shutting down a facility in Wisconsin and laying off hundreds of workers, forced the workers to give concessions to potentially keep the plant open, and then asked for tax breaks from the state to stick around.

State government exists to provide some level of security and safety for citizens, to provide quality public education and to build adequate public infrastructure. The taxes citizens pay



should go towards these essential functions rather than picking winners of private industry to enrich their CEOs and investors.

The low unemployment rate in our state should be producing rising wages as employers compete for labor. Instead of getting more money in their paychecks, middle class Wisconsinites are seeing their purchasing power getting weakened by tariffs, their jobs at threat of being exported, and the roads and schools in their communities being neglected because Wisconsin gave that money to private businesses.

Both locally and nationally, leaders are engaged in reactionary governing – springing into action with short-term fixes to complex, global problems that require long-term solutions. Until this trend stops, hard-working individuals and families will continue to ride a roller coaster, trying to ensure their economic stability as big businesses reap the majority of profits.